

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Required Report - public distribution

**Date:** 8/5/2013

**GAIN Report Number:**

## **Pakistan**

### **Oilseeds and Products Update**

### **Oilseeds and Products Update 2013**

**Approved By:**

Orestes H. Vasquez

**Prepared By:**

M. Shafiq Ur Rehman

**Report Highlights:**

Oilseed imports are on a downward trend due to increased local production, especially local rapeseed production. For FY 2014 (June-May), the government has increased the Central Excise Duty (sales tax) by one percent to 17 percent on oilseeds and edible oil imports. During January - June 2013, Pakistan imported 266,269 metric tons (MT) of oilseeds and 1.08 million tons of edible oil. Pakistan imported 110,000 metric tons of soybean meal from Argentina, eschewing Indian soybean meal due to high prices.

**Post:**  
Islamabad

### **Federal Government Increases Central Excise Duty**

In May 2013, Federal Government announced FY 2013/14 budget and increased the Central Excise Duty by one percent to 17 percent on oilseeds and edible oil imports. This increase has had repercussions on the import of oilseeds as local production has become more competitive.

### **Oilseeds and Edible Oil Import Matrix**

Oilseed imports are decreasing due as imports are being offset by increased local production, which is becoming more competitive due to a higher import duty and relatively high prices for canola and sunflower seeds. As of June of 2013, Pakistan has imported a total of 266,269 MT of oilseeds, a decrease of 43 percent from the same period in 2012. Meanwhile, imports of palm oil have increased by 22 percent from June of last year to 1,080,555 MT.

**Table 1: Oilseed import Statistics**

(Figures in Metric Tons)

| <b>Product</b>  | <b>CY-2011</b> | <b>CY-2012</b> | <b>Jan- June 2012</b> | <b>Jan- June 2013</b> |
|-----------------|----------------|----------------|-----------------------|-----------------------|
| Rapeseed/canola | 736,539        | 713, 828       | 397,030               | 266,269               |
| Sunflower       | 186,208        | 10,572         | 10,570                | 0                     |
| Soybean         | 10             | 0              | 0                     | 0                     |
| <b>Total</b>    | <b>922,757</b> | <b>724,400</b> | <b>467,600</b>        | <b>266,269</b>        |

Source: Ministry of Commerce (MOC), Government of Pakistan and FAS Islamabad

Table 2 provides edible oil import statistics for the last three years along with imports made during January to June 2013 and Table 3 gives month wise detail.

**Table 2: Edible Oil import Statistics (Year Wise)**

(Figures in Metric Tons)

| <b>Product</b> | <b>CY-2011</b>   | <b>CY 2012</b>   | <b>Jan-June 2012</b> | <b>Jan- June 2013</b> |
|----------------|------------------|------------------|----------------------|-----------------------|
| Palm Olien     | 970,747          | 752,603          | 314,579              | 442,887               |
| RBDPO          | 263,443          | 749,513          | 370,124              | 398,886               |
| CPO            | 749,000          | 428,352          | 200,193              | 213,418               |
| CDSBO          | 51,200           | 40,500           | 0                    | 25,664                |
| <b>Total</b>   | <b>2,034,390</b> | <b>1,970,968</b> | <b>884,896</b>       | <b>1,080,855</b>      |

Source: Ministry of Commerce (MOC), Government of Pakistan and FAS Islamabad

**Table 3: Edible Oil import Statistics Jan-June 2013**

(Figures in Metric Tons)

| <b>MONTH</b> | <b>OLIEN</b> | <b>RBDPO</b> | <b>CPO</b> | <b>CSDBO</b> | <b>TOTAL</b> |
|--------------|--------------|--------------|------------|--------------|--------------|
| January      | 106,876      | 64,950       | 65,998     | 2,040        | 239,864      |

|              |                |                |                |               |                  |
|--------------|----------------|----------------|----------------|---------------|------------------|
| February     | 75,647         | 79,078         | 51,590         | 1,980         | 208,295          |
| March        | 67,477         | 148,367        | 62,831         | 0             | 278,675          |
| April        | 37,499         | 17,500         | 14,999         | 11,644        | 81,642           |
| May          | 61,584         | 39,744         | 3,000          | 10,000        | 114,328          |
| June         | 93,804         | 49,247         | 15,000         | 0             | 158,051          |
| <b>TOTAL</b> | <b>442,887</b> | <b>398,886</b> | <b>213,418</b> | <b>25,664</b> | <b>1,080,855</b> |

Source: Ministry of Commerce (MOC), Government of Pakistan and FAS Islamabad

RBDPO: Refined Bleached Deodorized Palm oil

CPO: Crude Palm Oil

CDSBO: Crude Deodorized Soybean Oil

### **Soybean Meal Import from Argentina**

Pakistan has imported 110,000 metric tons of Argentine soybean meal due to increased prices of Indian soybean meal. Indian traders tried to capitalize on the Brazilian unrest that resulted in supply chain disruptions by increasing soybean meal prices by \$ 100-150 above the international market prices to \$650/MT. Pakistani feed millers acted swiftly and booked orders for two Panamax shipments of Argentine soybean meal. Trade sources reveal that the soybean meal prices ranged between \$ 507 – 535/MT CNF Karachi.